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Private Sector Division

Financial report and statements for the year ended 31 December 2002

Summary

This document presents the results of the UNICEF Private Sector Division (PSD) for the year ended 31 December 2002.

The total net income from PSD activities for the year was $281.4 million for regular resources, $120.3 million (74.7 per cent) higher than the $161.1 million achieved in 2001. The total net income for 2002 includes $37.9 million from UNICEF cards and gift sales, $236.8 million from private sector fund-raising activities, and a positive adjustment of $6.7 million for other charges and provisions. In addition, $141.9 million ($174.2 million in 2001) was raised from private sector fund-raising activities, which were earmarked for other resources. The net consolidated income, including both regular and other resources, amounted to $423.3 million ($335.3 million in 2001).

* E/ICEF/2003/11.

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Foreword

I am pleased to report that in 2002 the Private Sector Division (PSD) achieved a net contribution to UNICEF regular resources income of $281.4 million.

This is thanks to the work of hundreds of thousands of individuals around the world. We are grateful to the National Committees for UNICEF and other cooperating groups whose staff and volunteers sold UNICEF cards and gifts; to the hundreds of artists, museums and art collectors whose works were made available, at no charge, for greeting card designs; and to the millions of individuals who purchased UNICEF cards and gifts and donated their time and money to the cause of UNICEF throughout the year. We also wish to recognize that the above achievements are increasingly possible because of the successful fund-raising efforts undertaken by the National Committees for UNICEF and UNICEF field offices from their roughly 6 million donors, and the millions worldwide who responded with their individual contributions.

(*Signed*) Carol Bellamy
Executive Director

Financial report for the year ended 31 December 2002

A. An overview of the results

1. The total net income contribution to UNICEF regular resources from PSD activities was $281.4 million. This compares with $161.1 million in 2001, an increase of $120.3 million (74.7 per cent). The contribution consists of $37.9 million net operating income from the sale of UNICEF cards and gifts, $236.8 million net operating income from private sector fund-raising activities, and a positive adjustment of $6.7 million for other charges and provisions. The adjustment for other charges and provisions includes expenditures for the Market Development Programme (MDP) ($1.5 million), the Fund-raising Development Programme (FDP) ($6.9 million), the Nordic Investment Programme (NIP) ($4.3 million) and a favourable exchange rate provision/adjustment ($19.4 million).

2. Gross proceeds from UNICEF card and gift sales amounted to $125.9 million compared to $101.0 million in 2001. The increase in gross proceeds was due partly to the weakening of the United States dollar against the Euro and the Japanese yen, and partly to more accurate accrual of gross proceeds from the sale of cards and gifts based on provisional cash accounting reports received from the National Committees. This resulted in a more accurate sales accrual than in the previous year when the accrual was based on deliveries less a provision for unsold goods using delivery to sales ratios of the preceding year.

3. The net operating income from private sector fund-raising activities related to regular resources was $236.8 million in 2002 compared to $145.8 million in 2001, an increase of $91.0 million. This substantial increase was due primarily to a legacy of $56.2 million received from the Gaffe estate in France. In addition, $141.9 million were raised from private sector fund-raising activities, which were earmarked by partners for allocation to other resources, compared to $174.2 million in 2001.

B. Financial statements for the year ended 31 December 2002

4. The three financial statements that follow are supported by the notes to the financial statements, including a summary of significant accounting policies (paras. 6-15).

STATEMENT I

Statement of income and expenditure for the year ended 31 December 2002

(In thousands of United States dollars)

	Note	31 December 2002	%	31 December 2001	%	Variance increase/(decrease)	%
Gross proceeds - cards and gifts	3	125,925	100.0	100,999	100.0	24,926	24.7
Less: Retention/commissions and direct expenses at field offices	4	38,681	30.7	31,299	31.0	7,382	23.6
Net proceeds		87,244	69.3	69,710	69.0	17,534	25.2
Less: Cost of goods delivered	5	24,357	19.3	23,519	23.3	838	3.6
		62,887	49.9	46,191	45.7	16,696	36.1
Less: Operating costs a/	6	20,262	16.1	20,949	20.7	(687)	(3.3)
Provision for uncollectible accounts receivable	7	10,235	8.1	5,075	5.0	5,160	101.7
		32,390	25.7	20,167	20.0	12,223	60.6
Add: Other income	8	5,461	4.3	12,128	12.0	(6,667)	(55.0)
Net operating income – cards and gifts	9	37,851	30.1	32,295	32.0	5,556	17.2
Net operating income – private sector fund-raising a/ b/	10	236,844		145,847		90,997	62.4
Less: Other charges							
Market Development Programme	11	1,510		1,621		(111)	(6.8)
Fund-raising Development Programme	12	6,897		6,785		112	1.7
Central and Eastern European National Committees Development Programme	13	0		604		(604)	(100.0)
Nordic Investment Programme	14	4,342		3,795		547	14.4
Total net operating income	15	261,946		165,337		96,609	58.4
Less: Exchange rate adjustment	16	(19,398)		5,034		(24,430)	(485.3)
Prior years' adjustments/(gain)	17	(38)		(782)		744	95.1
Total net income	18	281,360		161,085		120,295	74.7

The accompanying notes form an integral part of this statement and should be read in conjunction with it.

a/ The comparative figures for 2001 were restated to conform with the 2002 presentation.

b/ Excluding $141.9 million recognized as other resources compared to $174.2 million in 2001. This is shown in the UNICEF financial statements.

Ellen Yaffe, Comptroller
(Signed)

Carol Bellamy, Executive Director
(Signed)

STATEMENT II
Statement of assets and liabilities as at 31 December 2002
(In thousands of United States dollars)

	Note	As at 31 December 2002		As at 31 December 2001		Increase/(decrease)	
ASSETS							
Accounts receivable	19	258,865		208,732		50,133	
Less: Allowance for exchange rate fluctuation and uncollectible Accounts		25,285		24,606		679	
Net accounts receivable	20		233,580		184,126		49,454
Inventory	21		5,312		6,958		(1,646)
Prepaid expenses	22		137		5		132
Capital assets, net of accumulated depreciation	23		178		319		(141)
TOTAL ASSETS			239,207		191,408		47,799
LIABILITIES							
Cash	24		537		(106)		643
Accounts payable	25		5,216		12,391		(7,175)
UNICEF Inter-office account	26		233,454		179,123		54,331
TOTAL LIABILITIES			239,207		191,408		47,799

The accompanying notes form an integral part of this statement and should be read in conjunction with it.

Ellen Yaffe, Comptroller
(Signed)

Carol Bellamy, Executive Director
(Signed)

STATEMENT III
Statement of the results for the year ended 31 December 2002 compared with the approved budget
(In millions of United States dollars)

	Note 27	Actual	Approved Budget a/	Variance increase (decrease) $	Variance increase (decrease) %
Income					
Gross proceeds - cards and gifts	(a)	125.9	127.0	(1.1)	(0.9)
Less: National Committees' retention b/	(b)	34.8	27.9	6.9	24.7
Net proceeds	(c)	91.1	99.1	(8.0)	(8.1)
Add: Other income	(d)	5.5	6.8	(1.3)	(19.1)
Net proceeds – cards and gifts	(e)	96.6	105.9	(9.3)	(9.0)
Net proceeds - private sector fund-raising	(f)	245.2	170.0	75.2	44.2
Total net proceeds (regular resources)	(g)	341.8	275.9	66.2	24.0
Expenditures					
Cost of goods delivered	(h)	24.4	28.6	(4.2)	(14.7)
Marketing expenditures b/ c/	(i)	27.0	21.5	5.5	25.6
Support Services	(j)	15.7	17.8	(2.1)	(11.8)
Market Development Programme	(k)	1.5	2.7	(1.2)	(44.4)
Fund-raising Development Programme	(l)	6.9	7.5	(0.6)	(8.0)
Nordic Investment Programme	(m)	4.3	4.1	0.2	4.9
Total expenditures	(n)	79.8	82.2	(2.4)	(2.9)
Total net income before adjustments	(o)	262.0	193.7	68.3	35.3
Adjustments					
Exchange rate provision/adjustment		(19.4)	-	(19.4)	100.0
Total net income after adjustments - regular resources	(p)	281.4	193.7	87.7	45.3
Add: Other resources - private sector fund-raising	(q)	141.9	135.0	6.9	5.1
Net consolidated income - regular resources and other resources	(r)	423.3	328.7	94.6	28.8

a/ In accordance with Executive Board decision 2002/2, paragraph 2, (E/ICEF/2002/8, the approved budget reflected is the low projection (column I, table 7 of document E/ICEF/2002/AB/L.1).

b/ Commission paid by field offices is excluded from retention but included in Marketing expenditures.

c/ Marketing expenditures also include a write-off of $7.8 million ($8.0 million in 2001) in bad debts and $8.7 million ($2.4 million in 2001) due to income being reported twice, once as regular resources to PSD and subsequently as other resources at the time of funds remittance, accounting for the overexpenditure against budget.

C. Notes to the financial statements

Note 1. Objectives and activities

5. PSD, in cooperation with National Committees for UNICEF, field offices and others, raises funds for children. Consequently, this makes people aware of UNICEF activities and gives them the opportunity to be involved in its work.

Note 2. Summary of significant accounting policies

6. The accounts are maintained in accordance with the Financial Regulations and Rules of the United Nations Children's Fund (E/ICEF/FINANCIAL RULES/1) and with the Financial Regulations and Rules of the United Nations Children's Fund, Special Supplement, Greeting Card Operation (E/ICEF/FINANCIAL RULES/1/Add.1).

7. The accounting period (fiscal year) of PSD is 1 January to 31 December, pursuant to Executive Board decision 1996/22 C.5 (E/ICEF/1996/12/Rev.1).

8. The accounts of PSD are incorporated into the UNICEF accounts as at 31 December. Consistent year-end cut-off procedures are in effect to incorporate PSD accounts into the UNICEF financial statements.

9. The accounting unit is the United States dollar. The equivalent in United States dollars of other currencies is established on the basis of the United Nations operational rates of exchange on the transaction date.

10. Gross proceeds from the sale of UNICEF cards and gifts are accrued on the basis of the cash accounting reports received from sales partners shortly after year-end. They are recorded in local currency and converted into United States dollars at the United Nations operational rates of exchange prevailing on 31 December. The accrual is adjusted in the following year upon receipt of the final cash accounting report. In cases where the provisional cash accounting report is not received from a sales partner in time for the year-end closure, gross proceeds are accrued based on deliveries to that sales partner for the year less an allowance for unsold goods.

11. Assets and liabilities in currencies other than United States dollars are valued for accounting purposes at the prevailing United Nations rates of exchange. Any variance in valuation caused by fluctuation of those rates is accounted for as income or loss and included in the statement of income and expenditure under exchange rate provision/adjustment. An allowance of 10 per cent of non-United States dollar-denominated outstanding accounts receivable as at 31 December may be established as a provision for delays in the collection thereof. Further, an allowance for accounts receivable that are considered doubtful for collection may be established. These allowances are shown as a deduction from the accounts receivable on the statement of assets and liabilities.

12. The inventory of work in process and finished goods is valued at standard cost, while raw materials are valued at moving average cost. It is PSD policy to write-down unsold cards and dated gifts at the end of the first sales campaign year and all other gifts at the end of the second sales campaign year. Gifts that have been written-down and carried forward are valued at their add-on cost. All publicity and promotion materials produced in the current campaign year, but relating to future campaign years, are shown at standard cost and included in inventory.

13. Capital assets costing $100,000 or more are capitalized and depreciated over their estimated useful life.

14. Liabilities are accrued in the PSD accounts following recognized accounting standards, and appropriate cut-off procedures are followed consistently.

15. Income from private sector fund-raising activities and related expenses are recorded separately in the PSD accounts. The net proceeds raised by National Committees from private sector fund-raising activities are recorded based on the report submitted by them at year-end.

Statement I

Note 3. Gross proceeds — cards and gifts

16. Gross proceeds for 2002 amounted to $125.9 million compared to $101.0 million in 2001, an increase of $24.9 million (24.7 per cent). The increase in gross proceeds was due partly to the weakening of the United States dollar against the Euro and the Japanese yen, and partly to a more accurate accrual of gross proceeds from the sale of cards and gifts based on the provisional cash accounting reports received from the National Committees. Sales volumes declined due to tough competition, but this was partially offset by higher prices in some markets.

Note 4. Retention/commissions and direct expenses at field offices

17. This item consists of the amounts retained by National Committees and other partners, commissions paid to consignees and direct operating expenses at UNICEF field offices. For 2002, this amounted to $38.7 million, an increase of $7.4 million (23.6 per cent) compared to 2001. This increase was due to an increase in the amount retained by the National Committees as a result of higher gross proceeds and a more accurate reflection of expenditure in support of cards and gift sales. A breakdown is given below:

(In millions of United States dollars)

			Increase/(decrease)	
	2002	*2001*	*$*	*%*
Retention/commissions	35.7	28.3	7.4	26.1
Field offices' expenses	3.0	3.0	-	-
Total	**38.7**	**31.3**	**7.4**	**23.6**

Note 5. Cost of goods delivered

18. The cost of goods delivered, freight, duties and taxes, and promotion materials amounted to $24.3 million, a slight increase of $0.8 million (3.4 per cent) compared to 2001. While the direct cost of goods showed some decrease, the combined costs associated with freight, duties and taxes were $1.1 million higher than in 2001. This difference was due to a favourable adjustment of $1.5 million related to the value added tax, offsetting the costs of freight of $1.9 million, to yield a net expenditure of $0.8 million in 2001. Details are presented below:

	(In millions of United States dollars)			
			Increase/(decrease)	
	2002	2001	$	%
Cost of goods delivered	17.0	17.6	(0.6)	(3.4)
Freight, duties and taxes	1.9	0.8	1.1	137.5
Promotion materials	5.4	5.1	0.3	5.9
Total	**24.3**	**23.5**	**0.8**	**3.4**

Note 6. Operating costs

19. Operating costs amounted to $20.3 million in 2002, a decrease of $0.7 million (3.3 per cent) compared to 2001. A decrease in costs related to card and gift sales was offset by marginal increases in operating costs of Operations and Finance and the Director's Office. The expenses are summarized below:

	(In millions of United States dollars)			
			Increase/(decrease)	
	2002	2001	$	%
Card and gift sales	4.5	5.8	(1.3)	(22.4)
Operations and finance	15.1	14.6	0.5	3.4
Director's office	0.7	0.6	0.1	16.7
Total	**20.3**	**21.0**	**(0.7)**	**(3.3)**

Note 7. Provision for uncollectible accounts receivable

20. The $10.2 million provision is to cover accounts receivable that may become irrecoverable. Accounts receivable deemed to be irrecoverable are written-off. None the less, PSD continues its efforts to pursue collection of these amounts.

Note 8. Other income

21. Other income is based on income reported by partners by 31 December and comprises the following:

(a) Income from licensed products, which includes royalties from special programmes, income from Nippon Telegraph and Telephone Corporation's Pressed Flower Telegram Programme in Japan, and income from the sale of National Committee products and other items;

(b) Donations, which represent contributions generated through PSD brochures/order forms;

(c) Miscellaneous income, which includes discounts on purchases and miscellaneous proceeds.

22. Other income in 2002 amounted to $5.5 million, a decrease of $6.7 million compared to 2001 income of $12.1 million, which included an item of $6.0 million

in miscellaneous income representing excess receipts related to prior years. A comparison between 2002 and 2001 is summarized below:

	(In millions of United States dollars)		
			Increase/(decrease)
	2002	*2001*	*%*
Licensed products	2.8	2.7	0.1
Donations	1.9	1.8	0.1
Miscellaneous income	0.8	7.6	(6.8)
Total	**5.5**	**12.1**	**(6.7)**

Note 9. Net operating income — cards and gifts

23. For the 2002 campaign, the net operating income from the sale of UNICEF cards and gifts amounted to $37.9 million, an increase of $5.6 million compared to 2001. As a percentage of gross proceeds, net operating income decreased to 30.1 per cent from 32.0 per cent in 2001.

Note 10. Net operating income — private sector fund-raising

24. In 2002, total net proceeds from private sector fund-raising activities reported by partners by 31 December amounted to $245.2 million for regular resources, an increase of $92.5 million compared to 2001. This increase was due to real growth in contributions from committed givers ($22.5 million), the impact of a weak United States dollar ($13.8 million) and a legacy received in the amount of $56.2 million.

25. As presented in the following table, the net operating income from private sector fund-raising activities related to regular resources in 2002 amounted to $236.8 million compared to $145.8 million in 2001, an increase of $91.0 million (62.4 per cent). The net operating income from private sector fund-raising activities related to regular resources was net of the amount retained by the National Committees; operating expenses related to private sector fund-raising activities, including field office expenses; and research and development.

26. In addition to the net operating income from private sector fund-raising activities related to regular resources, $141.9 million was raised and earmarked to various UNICEF other resources projects. This amount is shown as a footnote to statement I in this financial report and included as income in the UNICEF financial statements.

27. Private sector fund-raising expenses for 2002 included $1.7 million for research and development to develop new methods and test fund-raising campaigns.

	(In millions of United States dollars)			
			Increase/(decrease)	
	2002	2001	$	%
Net proceeds	245.2	152.6	92.6	60.7
Less:				
Operating expenses	5.0	3.7	1.3	35.1
Field office expenses	1.7	1.7	0.0	0.0
Research and development	1.7	1.4	0.3	21.4
Net operating income	236.8	145.8	91.0	62.4

Note 11. Market Development Programme

28. In 1994, the Executive Board approved the establishment of MDP (E/ICEF/1994/13/Rev.1, decision 1994/A/9) with the goal of testing and evaluating new income-generating initiatives in the area of product line and marketing. For 2002, the Executive Board approved $2.7 million, with the primary focus of investing in projects offering high rates of returns. Through this programme, interested National Committees submit requests for funding, supported with a complete project description and a marketing and financial plan. Upon approval of the project, PSD allocates the funds to the National Committees which, in most cases, match the amount allocated while establishing a separate account for the transparent monitoring of the programme over the planned period. During 2002, 13 National Committees received approval for funding from MDP, with a total expenditure of $1.5 million ($1.6 million in 2001).

Note 12. Fund-raising Development Programme

29. To enable PSD to continue to fulfil its mandate in private sector fund-raising activities, the Executive Board approved for 2002 the continuation of FDP with an amount of $7.5 million. The objective of this programme was to increase the capacity of National Committees and UNICEF field offices to build a broader support base in raising funds from the private sector (see E/ICEF/1991/AB/L.6 and E/ICEF/1991/15, decision 1991/35). In 2002, 12 National Committees and 7 UNICEF field offices availed of the programme. The total expenditure for FDP was $6.9 million ($6.8 million in 2001).

Note 13. Central and Eastern European National Committees Development Programme

30. Due to the termination of the programme, there was no expenditure in 2002 ($0.6 million in 2001).

Note 14. Nordic Investment Programme

31. In 2000, the Executive Board approved the establishment of NIP with an initial budget of $4.0 million for 2000 (E/ICEF/2000/AB/L.1 and E/ICEF/2000/8/Rev.1, decision 2000/1). This programme was developed jointly for the four Nordic National Committees (Denmark, Finland, Norway and Sweden) with the goal of reversing the declining revenue trend and increasing significantly the donor constituency and private sector contributions from this region. It is envisaged that

by the end of this programme, the four National Committees will reach a minimum sustainable income-generating size, with a reinvestment capacity to perform a full portfolio of fund-raising, marketing and advocacy/communications activities within a normal retention rate. The total expenditure for NIP in 2002 was $4.3 million ($3.8 million in 2001).

Note 15. Total net operating income

32. The total net operating income from UNICEF card and gift sales and private sector fund-raising activities amounted to $261.9 million, an increase of $96.6 million (58.4 per cent) compared to 2001. This represents PSD net operating income before exchange rate provision/adjustment and prior years' adjustments.

Note 16. Exchange rate provision/adjustment

33. This represents the net adjustment for exchange rate, including a 10 per cent provision for delays in the collection of outstanding non-United States dollar accounts receivable and the effect of the revaluation of assets and liabilities using the 31 December 2002 United Nations operational rate of exchange. The exchange rate provision/adjustment in 2002 amounted to a gain of $19.4 million, an increase of $24.4 million when compared to a loss of $5.0 million in 2001.

Note 17. Prior years' adjustments

34. In accordance with existing PSD accounting policy, non-recurring adjustments to proceeds and expenditures related to prior years have been recorded as prior years' adjustments. For 2002, these adjustments amounted to a favourable $0.04 million.

Note 18. Total net income

35. After deducting non-operating expenses (exchange rate provision/adjustment and prior years' adjustments), the total net income from UNICEF card and gift sales and private sector fund-raising activities in 2002 was $281.4 million, an increase of $120.3 million (74.7 per cent) compared to 2001.

Statement II

Note 19. Accounts receivable

36. Accounts receivable include amounts due from National Committees and other partners for revenues from UNICEF card and gift sales, private sector fund-raising activities, royalties and miscellaneous receivables. The gross accounts receivable as at 31 December 2002 amounted to $258.8 million, an increase of $50.1 million over the balance as at 31 December 2001.

Note 20. Net accounts receivable

37. In accordance with PSD accounting policy (see para. 11 above), an allowance to cover accounts receivable that are considered doubtful for collection and a provision for delays in the collection of outstanding accounts receivable held in non-United States dollar currencies may be established. For 2002, the total allowance for uncollectible accounts and provision for delays in the collection of accounts

receivable amounted to $25.3 million. Net accounts receivable after deducting this allowance and provision amounted to $233.6 million.

Note 21. Inventory

38. Inventory as at 31 December 2002 amounted to $5.3 million, a decrease of $1.6 million compared to the balance as at 31 December 2001. A comparison is presented below:

	(In millions of United States dollars)	
	2002	*2001*
Raw materials	2.2	2.4
Work in process	0.2	0.2
Finished goods	2.9	4.3
Total	**5.3**	**6.9**

Note 22. Prepaid expenses

39. These represented payments made to suppliers for the production of PSD gifts and promotion materials for 2002 and future campaigns. Prepaid expenses as at 31 December 2002 amounted to $0.1 million, a 100 per cent increase compared to the balance as at 31 December 2001.

Note 23. Capital assets, net of accumulated depreciation

40. These are stated at cost, less accumulated depreciation (see summary of capital assets as at 31 December 2002 presented below). In accordance with PSD accounting policies, capital assets costing $0.1 million or more are capitalized and depreciated over their estimated useful life. The decrease of $0.1 million in capital assets over the balance as at 31 December 2002 was due to depreciation of production machinery and leasehold improvements during the period. There was no new acquisition in 2002.

	(In millions of United States dollars)	
	2002	*2001*
Production machinery	1.1	1.1
Office equipment and leasehold improvements	1.6	1.6
Subtotal	**2.7**	**2.7**
Accumulated depreciation	(2.5)	(2.4)
Total	**0.2**	**0.3**

Note 24. Cash

41. The credit balance of $0.5 million in the cash account as at 31 December 2002 comprises balances of petty cash at headquarters locations, PSD bank accounts and outstanding cheques drawn from PSD zero balance bank accounts.

Note 25. Accounts payable

42. Total accounts payable as at 31 December 2002 amounted to $5.2 million, a decrease of $7.2 million compared with the balance as at 31 December 2001. Included in total accounts payable were liabilities to suppliers and National Committees.

Note 26. UNICEF inter-office account

43. This reflects the net result of transactions between PSD and other UNICEF offices, which, as at 31 December 2002, was $233.5 million. The balance includes monies advanced as working capital to PSD. PSD earnings for each fiscal period are transferred to UNICEF via this account.

Statement III

Note 27. Comparison of 2002 actual results with budget

44. PSD performance in 2002 compared with the approved budget — low projection is as follows:

(a) Gross proceeds from UNICEF card and gift sales were $1.1 million, or 0.9 per cent less than budget;

(b) National Committees' retention was $6.9 million, or 24.7 per cent higher than budget;

(c) Net proceeds from UNICEF card and gift sales were $8 million, or 8.1 per cent less than budget;

(d) Other income was $1.3 million, or 19.1 per cent lower than budget;

(e) Net proceeds related to UNICEF card and gift sales were $9.3 million, or 9 per cent less than budget;

(f) Net proceeds from private sector fund-raising activities were $75.2 million, or 44.2 per cent higher than budget;

(g) Total net proceeds from PSD-related activities (regular resources) were $66.2 million, or 24 per cent higher than budget;

(h) Cost of goods delivered was $4.2 million, or 14.7 per cent less than budget;

(i) Expenses related to marketing were $5.5 million, or 25.6 per cent higher than budget;

(j) Expenses related to support services were $2.1 million, or 11.8 per cent less than budget;

(k) MDP expenditures were $1.2 million, or 44.4 per cent less than budget;

(l) FDP expenditures were $0.6 million, or 8 per cent less than budget;

(m) NIP expenditures were $0.2 million, or 4.9 per cent higher than budget. This was due to a weak United States dollar and commitments in local currencies of the Nordic countries which had to be met;

(n) Total expenditures were $2.4 million, or 2.9 per cent less than the budget of $82.2 million;

(o) Total net income before adjustments was $68.3 million, or 35.3 per cent higher than the budget of $193.7 million;

(p) The total net income after adjustments (regular resources) was $87.7 million, or 45.3 per cent higher than the budget of $193.7 million;

(q) Proceeds from private sector fund-raising activities recognized as other resources were $6.9 million, or 5.1 per cent higher than budget;

(r) The net consolidated income for both regular resources and other resources was $94.6 million, or 28.8 per cent higher than budget.